

United States Attorney Southern District of New York

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I: U.S. ATTORNEY'S OFFICE

YUSILL SCRIBNER, REBEKAH CARMICHAEL

PUBLIC INFORMATION OFFICE

(212) 637-2600

FORMER PRESIDENT OF TRANSIT UNION LOCAL 1181 SENTENCED TO 57 MONTHS IN PRISON FOR RACKETEERING

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that SALVATORE BATTAGLIA, a/k/a "Hotdogs," former President of Local 1181 of the Amalgamated Transit Union ("Local 1181"), was sentenced today by the United States District Chief Judge KIMBA M. WOOD to 57 months in prison. BATTAGLIA pleaded guilty on January 18, 2008 to racketeering, based on the extortion of money from companies operating school buses under contracts with the New York City Department of Education. In addition to the prison term, Chief Judge WOOD ordered BATTAGLIA to pay a \$50,000 fine and \$180,000 in restitution, and to forfeit \$25,000. According to the Indictment to which BATTAGLIA pleaded guilty and other documents filed in the case:

From approximately 2002 to 2006, BATTAGLIA was President of Local 1181 -- a union that represents approximately 15,000 school bus drivers and school bus escorts who work for companies that contract with the New York Department of Education to provide school bus transportation to public schools throughout New York City. The Genovese Organized Crime Family of La Cosa Nostra has influenced and controlled Local 1181 since at least the 1980s, largely by appointing Genovese Organized Crime Family members and associates to leadership positions within the union. BATTAGLIA was proposed for membership in the Genovese Organized Crime Family in 2000.

Using both his union status and his organized crime status to induce payment, BATTAGLIA collected and received illegal payments of tens of thousands of dollars from bus company owners and operators whose employees were, or could have become, members of Local 1181. During his guilty plea proceeding, BATTAGLIA admitted that, as President of Local 1181, he engaged in a pattern of racketeering activity including extorting three different bus company owners, and that "these individuals were victims of extortion in that they had fear of economic harm that

if they didn't make the payments, the union would hurt them and their business in some way."

At the sentencing, Chief Judge WOOD ruled that BATTAGLIA was a leader and organizer of the criminal activity, and that BATTAGLIA had violated the public and private trust through his actions. Chief Judge WOOD stated that BATTAGLIA's crimes "contribute to the costs to the union and to bus owners and likely, eventually, to anyone who uses a bus, and because his crime was part of a large conspiracy, it is an extraordinarily serious offense."

The Indictment against BATTAGLIA was the product of a long-term investigation, and charged a total of twenty defendants -- all of whom were named as members or associates of the Genovese Organized Crime Family or of other LCN crime families -with wide-ranging racketeering crimes and other offenses spanning more than a decade, including extortion, labor racketeering, loansharking, illegal gambling, and obstruction of justice. BATTAGLIA is the third high-ranking Local 1181 official to be convicted for crimes committed during their times in office. On August 31, 2006, JULIUS BERNSTEIN, a/k/a "Spike" -- who was an employee and officer of Local 1181 for over 30 years, during which time he rose to the position of Secretary/Treasurer -pleaded quilty to participating in the affairs of the Genovese Organized Crime Family from the 1950s to 2006, and committing crimes during that period including labor racketeering, extortion, robbery, gambling, and obstruction of justice. On August 11, 2006, ANNE CHIAROVANO - an employee of Local 1181 for over 40 years, during which time she rose to the position of Director of the Employees' Pension and Welfare Fund -- pleaded quilty to the obstruction of the FBI's investigation into the connection between Local 1181 and the Genovese Organized Crime Family. Additionally, the Indictment resulted in the convictions of Genovese Family Acting Boss MATTHEW IANNIELLO, a/k/a "Matty the Horse," who pleaded quilty to labor racketeering and obstruction of justice, and Genovese Family captain CIRO PERRONE, who was convicted at trial on racketeering, loansharking, and gambling offenses.

Mr. GARCIA praised the efforts of the Federal Bureau of Investigation; the New York City Police Department; the United States Department of Labor, Office of Labor Management Standards; the United States Department of Labor, Office of the Inspector General; and the Special Commissioner of Investigation for the New York City School District.

Assistant United States Attorney ELIE HONIG is in charge of the prosecution.

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